



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898


IN REPLY
REFER TO:

MP-102
WTR-4.03

February 23, 2000

MEMORANDUM

To: CALFED Policy Group

From: Lester A. Snow
Regional Director 

Subject: Supplement to February 23, 2000, CALFED Policy Group Meeting Package – Status Report on Water Year 2000 Water Acquisitions

Consistent with the CALFED Policy Group's November 17, 1999, action and Governor Gray Davis's September 22, 1999, and November 6, 1999, letters (attached), the U.S. Bureau of Reclamation (Reclamation) is pursuing water acquisitions to help stabilize south-of-the-Delta water supplies and avoid potential unanticipated fishery and water supply conflicts in Water Year 2000.¹ This memo provides a status report on these water acquisitions which can improve water quality conditions in San Luis Reservoir and potentially increase south-of-the-Delta Central Valley Project allocations by five percent.

On November 17, 1999, the Policy Group concurred with utilizing \$10 million of the federal "non-ecosystem" FY 2000 monies to initiate negotiations to secure near-term measures, including water acquisitions, which will have immediate utility in Water Year 2000 and beyond. In order to facilitate timely purchase of potential water supplies, Reclamation focused its efforts on acquiring south-of-the-Delta water supplies from willing sellers who have already prepared environmental documents addressing the local impacts of the sale, storage, withdrawal, and conveyance of water available to them.

Two sellers were identified meeting the above prerequisites. These sellers include: Kern Water Bank Authority (willing to sell up to 100,000 acre-feet of banked groundwater) and Vidler Water Company, Incorporated (willing to sell up to 5,000 acre-feet of banked groundwater). Both of these sellers initially offered to sell the water under two scenarios. First, under a one-year purchase arrangement, and second, under a three-year option arrangement. As negotiations preceded and Water Year 2000 hydrologic conditions became more evident, both the sellers and Reclamation agreed to pursue the

¹ Subsequent to the Policy Group's action, Governor Davis included \$10 million in his proposed FY 2000-2001 budget to allow the California Department of Water Resources to pursue other means to improve Water Year 2000 water supply reliability. If approved, the earliest these funds would become available would be July 1, 2000.

one-year purchase arrangement. Based on funding availability, the amount of water that will be purchased is currently estimated at 70,000 acre-feet.² This water would be made available by having Kern County agricultural water users pump banked groundwater in-lieu of receiving their State Water Project supplies. Reclamation would receive delivery of the foregone State Water Project supplies in O'Neill Forebay between April 15 and December 31, 2000. As stated above, these water acquisitions which can improve water quality conditions in San Luis Reservoir and potentially increase south-of-the-Delta Central Valley Project allocations by five percent.

On January 28, 2000, Reclamation issued a Draft Environmental Assessment and Draft Finding of No Significant Impact for the Temporary Water Acquisition in Support of the Bureau of Reclamation Water Year 2000-2003 Operations. The comment period for this document closed on February 21, 2000. Two comment letters were received and will be addressed in final documentation. In addition, Reclamation is preparing agreements to facilitate the water purchases.

Reclamation will keep the CALFED Policy Group informed on progress in pursuing these water acquisitions. If you have any questions, please contact Mr. Steve Hirsch of my staff at 916/978-5010 (TDD 978-5608).

Attachments

² Under both purchases, the price of the water decreases as State Water Project April 2000 allocations increase. For example, if the April 2000 allocation is 100%, the cost of the water is \$130 per acre-foot. If the allocation is 50%, the cost of the water is \$200 per acre-foot.